



# Montgomery County Council

---

*From the Office of Council President Valerie Ervin*

---

May 19, 2011

Contact: Sonya Healy 240-777-7970

N  
E  
W  
S  
  
R  
E  
L  
E  
A  
S  
E

## **County Council President Valerie Ervin's Remarks on Council Agreement on Fiscal Year 2012 Operating Budget**

ROCKVILLE, Md., May 19, 2011—Montgomery County Council President Valerie Ervin's remarks following the Council reaching tentative agreement on the Fiscal Year 2012 Operating Budget:

As the saying goes, 'You can't know where you are going until you know where you have been.' Over the last 6 months this Council has reviewed and implemented major budget and policy changes that will put us on the path to a sustainable economic future by making important structural reforms.

The groundwork for the decisions we make today began last year under the leadership of then Council President Nancy Floreen, who initiated the work of the Office of Legislative Oversight who identified the drivers of our County's structural budget gap.

This year we have continued this important work by lobbying our legislative partners in Annapolis on legislation to change the state's Maintenance of Effort law. This Council also made the following critical decisions: One—not to apply for a waiver at the State Board of Education on the State's Maintenance of Effort law. Two—to present a legislative package to the County employee unions that exceeded savings proposed by the Executive's recommended budget, which mitigated the impact of the proposed benefit cost increases on County Government Employees.

These decisions begin the process of reforming pension and retiree health benefits.

All of these decisions took political courage, and I am grateful that the Council has stood together every step of the way.

When I took the gavel as Council President, I promised residents that this Council would get back to basics, focus on disciplined governing, and implement long-term structural changes in

the interest of our community. Today, the Council has reached agreement on a budget that accomplishes all of these goals.

While the national economic crisis dramatically impacted the County's budget, I am confident that this Council has produced a budget that protects taxpayers, achieves greater equity among employees, preserves core education funding for Montgomery County Public Schools and Montgomery College, and protects public safety and services for our most needy residents.

Tough budget times require difficult choices. How we respond to these times says everything about what kind of community we are, and what we want to be when we emerge in more prosperous times. Today is a watershed moment for the County Council because we are not just passing next year's budget; we are creating a blueprint for addressing our long-term structural deficit.

First, we are establishing a consolidated retiree health benefits trust to ensure that all our agencies can honor our commitments to our retirees. Next, we are approving a reserve fund, as recommended by the County Executive, to pay for snow removal and storm clean up. Finally, we are making structural changes to current employee benefits that will produce substantial savings, not only in FY12, but over the next six fiscal years and well into the future.

As one with more than a quarter century on the front lines of the labor movement, I am deeply committed to fairness for County employees. But fairness also requires that the County can afford to honor its labor contracts.

Throughout this process, we have focused on what is equitable for our residents and our employees. The Council takes no pleasure in the fact that employees will be paying more for their benefits, but we have done its best to level the playing field.

Instead of County Government employees taking the entire hit on their benefits package, we have spread this reduction across the board to include all County and public school system employees. We have also taken steps to incentivize practices that promote savings, like enabling County employees to keep the same cost-share split if they are currently using or decide to transfer to an HMO, and we will maintain the current discount for mail order drug purchases. We also delayed any changes to health care benefits from July 1, 2011 to Jan. 1, 2012. This change from the County Executive's proposal avoids a rushed, off-cycle open season, disrupting employees' current year health plan arrangements and would have caused large reductions in take-home pay for most county government employees. Our alternative gives workers adequate time to study their choices and make informed decisions for their families.

Please let me assure you that the County Council's commitment to our world-class school system is unwavering, and that we will continue to work with our colleagues on the Board of Education to minimize the impact of any funding decision on the classroom. I have enjoyed working with Board of Education President Chris Barclay, and I commend him for his steadfast advocacy on behalf of MCPS. He has never strayed from his mission. The Council has never abandoned its commitment to supporting the top notch educational opportunities that our children receive at MCPS, but we must also protect the critical services that our children rely on when they are not in the classroom.

As chair of the Council's Education Committee and a former member of the Board of Education, I strongly support the intent of the State's Maintenance of Effort (MOE) law to maintain local investment as one way to improve the educational outcomes of our children. But in practice, the MOE law is inflexible and illogical. To highlight this point, this year six counties are standing in solidarity by withdrawing their requests for a waiver from the State Board of Education.

Our award-winning school system, thanks in large part to the extraordinary investments the Council has always made in funding education, is one of our County's hallmarks. But ironically enough, it's the very fact that we have been so dedicated to funding our schools for so many years that it has placed us in this fiscally untenable position.

The MOE law requires funding for next year's Montgomery school budget that is \$82 million, or 5.8 percent, higher than this year's local appropriation of \$1.4 billion, even though we faced a \$300 million gap in our overall budget. It also ignores the fact that over the last decade the County has funded our schools at \$577 million above the maintenance of effort requirement—a strong commitment to our school system.

So now we are in a situation where the funding benchmark we have inherited from years of going beyond what was required by law is no longer sustainable. It is time for all of us to live within our means. This Council had no choice but to hit the reset button to bring school funding back in line with the current fiscal reality.

We care deeply about children not only when they are in school but also when they are not. Yet there is no state-mandated maintenance of effort funding requirement for health and human services, libraries, public safety, or transportation. These and other services are also essential to our one million residents, especially our children. This demand has only increased with the current economic crisis.

Besides this direct support for MCPS, the County's operating budget also includes more than \$30 million for other key supports, including school nurses and health room technicians; wellness, tutoring, and mentoring programs; Linkages to Learning; school crossing guards; and stormwater facility maintenance. In addition, the County funds MCPS' entire school construction and capital program.

Another tremendous asset for the County is Montgomery College. I want to thank Dr. Pollard for her extraordinary leadership. I especially want to recognize the way in which Dr. Pollard approached her first full budget cycle with the Council. She worked with us to help clearly define the core services needed for students and College operations while recognizing the current fiscal realities.

I am also delighted that the Council chose to make essential restorations to Park and Planning. Planning Board Chair Francoise Carrier and her team have continued to do more with less, and this funding will enable them to keep their work plan on track and assist us as we work to spur economic development opportunities. The Council also restored some essential park services which is a priority for our residents.

We have been tested repeatedly throughout this budget process, and we consistently rose to the challenge. I am extremely proud of the way we pulled together as a team to produce a budget that will become a blueprint for the future.

It has been my honor to lead the Council as its President through this process. I want to recognize Council and OLO staff members who have truly gone above and beyond this year. Both OLO and Council staff are filled with consummate professionals who work long hours to support the work of the Council.

I will wait until next week when we take our final vote on the budget to thank each and every Councilmember individually but I will say to all of you that I have been honored to serve alongside you. But I do want to take this opportunity to single out and thank Council Vice President Roger Berliner. Councilmember Berliner is one of the finest people I have ever had the pleasure of working with. He is a man of great intellect and integrity; he shows up each and every day and uses his tremendous skills working to find common ground. He listens, he is

pragmatic, and he is a consummate team player. We have charted a new course this year and it wouldn't have happened without the partnership that we were able to forge together.

My chief of staff, Sonya Healy as everybody who works on the fifth and sixth floor of this building knows is the reason why things ran smoothly and efficiently throughout the past six months. It is a pleasure for me to get up and head into the office every single day because I know that the "unflappable" Sonya Healy is sitting at her desk ready to go and she does it with sweetness, determination, professionalism and always with a smile. Thank you Sonya for putting up with me these past several weeks, I couldn't have done it without you and team Ervin.

Throughout this budget process, this Council never lost sight of its true mission: To make Montgomery County a place where residents can raise their children with an eye toward the future, a place where jobs are plentiful and meaningful, a place that is safe and secure, and a place where those who are sick, homeless, unemployed or struggling to make a living, know that they are not forgotten.

Budgets are about people and the role that government plays in the lives of the people who make our community extraordinary. Today, this Council has made the tough decisions that were required to keep our County on the course of greatness that helped to determine why nearly a million people have chosen to live here, and why so many who are drawn to innovation and opportunity choose to work here. We have our challenges, but we have approached them with the confidence of knowing that if any community has the capacity to adapt, it is Montgomery County.

I am confident that by examining where we have been, this Council has taken the steps necessary to ensure a prosperous and sustainable future for Montgomery County and its residents.

Harriet Tubman, a great woman and a great Marylander, who escaped slavery and assisted many others on their path to freedom offered her fellow travelers this piece of advice:

- If you hear the dogs, keep going.
- If you see the torches in the woods, keep going.
- If they're shouting after you, keep going.
- Don't ever stop. Keep going.
- If you want a taste of freedom, keep going.

As I close let us remember the words of Harriet Tubman and keep moving forward toward a future of prosperity and hope for better days to come.

# # # #